

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

Second Reading

BOARD POLICY – PROPOSED AMENDMENT

Chapter 5. Administration

Policy 5.14 ~~Procurements and Contracts~~ Contracts and Procurements

Policy 5.14 ~~Procurements and Contracts~~ Contracts and Procurements

Part 1. Authority.

Pursuant to Minn.esota Stat.utes Ch. § 136F.581, the Board of Trustees has authority for ~~contracts and~~ purchases and ~~contracts~~ consistent with Minn.esota Stat.utes Ch. § 471.345, the Uniform Municipal Contracting Law, and other pertinent statutes, as well as the authority to utilize any contracting options available to the commissioner of administration under Minn.esota Stat.utes Chapters 16A, 16B and 16C. ~~It is the policy of the Board of Trustees that contracts, including real property leases, shall not exceed five years, including renewals, unless otherwise provided for by law or approved by the chancellor or the chancellor's designee.~~

Part 2. Responsibilities.

The state colleges, universities, and system office are responsible for procurement of necessary goods and services and the implementation of contracts that maximize the use of financial resources.

The system-wide procedures for procurement and contracts shall be consistent with Minn.esota Stat.utes Ch. § 471.345, the Uniform Municipal Contracting Law, as applicable, and in compliance with other pertinent state and federal laws. The procedures shall provide detailed instructions for campus and system implementation.

Policies and procedures relating to facilities design and construction contracts are addressed in Board Policy 6.5, Capital Program Planning.

Part 3. Accountability/Reporting.

Subpart A. Compliance. College and university presidents will be held accountable by the chancellor for complying with state and federal laws, Board policy, and system-wide procedures for all purchases and contracts.

~~Contracts, including amendments, with values greater than \$3,000,000 must be approved in advance by the Board of Trustees. Contracts include inter-agency and intra-agency agreements, joint powers agreements that do not create a joint powers board, Minnesota Department of Administration master contracts, Office of Enterprise Technology master contracts or Minnesota State Colleges and Universities master contracts with values greater than \$3,000,000.~~

~~Subpart B. Five year limit. Contracts, including real property leases, shall not exceed five years, including renewals, unless otherwise provided for by law or approved by the chancellor or the chancellor's designee.~~

33 Subpart ~~CB~~. Contract form approval. Any contract or other legally binding agreement,
34 including grant agreements, or memorandums of understanding/agreement that create legally
35 binding obligations and responsibilities, that does not adhere to system approved contract
36 templates must be approved in advance by the office of general counsel or attorney general's
37 office.

38 Subpart ~~DC~~. Board approval required.

- 39
- 40 1. Any procurement, lease agreement, or professional/technical/consulting service
41 contract with a value in excess of \$1,000,000 or contract amendment that would
42 increase the total value of ~~the a~~ contract to more than \$1,000,000 must be approved in
43 advance by the Board.
- 44 2. The following contracts and agreements must be approved in advance by the Board if
45 the total value of the initial contract/agreement and/or subsequent amendments
46 exceeds \$3,000,000:
- 47
- 48 a. Inter-agency agreements;
- 49 b. Joint powers agreements;
- 50 c. System master contracts if the total purchases made for goods or services
51 under the master contract are expected to exceed \$3,000,000; individual
52 purchase orders made under a system master contract approved by the Board
53 are not subject to separate Board approval;
- 54 d. Grant agreements other than federal grants or grants from Minnesota state
55 agencies.
- 56
- 57 3. Joint powers agreements that create a joint powers board, regardless of the dollar
58 value, must be approved in advance by the Board.
- 59

60 Subpart ~~BD~~. Five year limit. ~~Contracts, including real property leases, shall not exceed five~~
61 years, including renewals, unless a longer period is otherwise provided for by law, or approved
62 by the board for contracts subject to approval under Subpart C, or by the chancellor or the
63 chancellor's designee.

64

65 Subpart E. Exemptions. The following contracts are not subject to the approval process under

66 Subpart ~~DC~~:

- 67 1. Construction contracts subject to Policy 6.5, Capital Program Planning, and
68 applicable system procedures.
- 69 2. Purchase orders made under a master contract of the Minnesota Department of
70 Administration or MnIT.
- 71 3. Federal grants and grants from Minnesota state agencies.

72 Subpart F. Reports. ~~A~~Semiannual reports on all contracts with values greater than \$1,000,000,
73 except those listed in Subpart E, ~~400,000~~ ~~wi~~shall be provided to the Board's finance and
74 facilities committee and be available on the system's Web site. ~~Other formats are available upon~~
75 request.